



**BOWRIDGE** *Resource Group Inc.*

**ANNUAL REPORT**

For the year ending April 30, 1996

## COMPANY PROFILE

BOWRIDGE Resource Group Inc. ("the Company" or "Bowridge") is a growth oriented oilfield services and equipment company formed in May, 1993. Bowridge's goal is to achieve an average annual 25 percent return on share capital.

Current operations are focused on equipment, technologies and services which help lower field operating costs, increase productivity and provide environmental protection for our customers – the oil and gas producers and explorers.

### Strategy:

- Acquire stable, profitable niche businesses with growth potential.
- Develop consistently strong financial results in a changing market.
- Add to shareholder value with ongoing high reinvestment ratio.

### Investment Advantages:

- A profitable business with a successful track record and strong management.
- Bowridge provides investors good leverage in the oil and gas service sector.
- The Company is financially stable in a cyclical industry, providing downside protection to the investor.

## ANNUAL GENERAL MEETING

The Annual and General meeting of shareholders will be held on Wednesday, September 4, 1996 at 10:00 a.m. in Salons A and B of The Calgary Chamber of Commerce, 517 Centre Street South, Calgary, Alberta.

Shareholders unable to attend are encouraged to complete and return the accompanying form of proxy.

## TABLE OF CONTENTS

Highlights .....	1
President's Report – Bowridge .....	2
Operation's Report – Central .....	4
Financial Report .....	6
Management's Report .....	9
Auditors' Report .....	9
Financial Statements .....	10
Notes to Financial Statements .....	13
Corporate Information .....	16



## HIGHLIGHTS

### FINANCIAL HIGHLIGHTS

YEAR ENDED APRIL 30TH	1996	1995
Revenue	\$ 7,058,117	\$ 7,777,570
Operating Income	1,107,179	1,710,724
Earnings	516,402	871,330
Earnings Per Share – Basic (\$)	.05	.10
Earnings Per Share – Fully Diluted (\$)	.05	.07
Earnings Before Interest & Taxes	1,233,527	1,827,224
Cashflow from Operations	1,068,083	1,400,211
Cashflow Per Share – Basic (\$)	.10	.17
Cashflow Per Share – Fully Diluted (\$)	.09	.11
Book Value Per Share – Basic (\$)	.37	.33
Working Capital Per Share – Basic (\$)	.12	.09
Outstanding Shares (000)	10,989,000	9,130,000

Throughout this report, cashflow from operations is before changes in non-cash working capital, and per share numbers refer to fully diluted calculations unless otherwise specified.

### OPERATING HIGHLIGHTS

BOWRIDGE is structured for growth by acquisition and development. The Company paid down debt and current liabilities by 41 percent in the year ended April 30, 1996 ("the period") leaving long term debt at \$10,139.

BOWRIDGE increased working capital to \$1,350,236 or 12 cents per share basic before additional financing for development of a new Underbalanced Drilling Surface Control System. Working capital is estimated to increase to 15 cents per share basic after financing.

BOWRIDGE re-invested \$515,344 in capital assets in 1995 compared to \$645,894 in the prior year.

The Company has \$1.8 million in available lines of credit.

BOWRIDGE increased Net Book Value for its shareholders by 12.1 percent from 33 cents per share basic to 37 cents per share basic during the period.

## PRESIDENT'S REPORT - BOWRIDGE



Jim Rathwell,  
PRESIDENT

BOWRIDGE'S goal is to develop a company with an average annual 25 percent return on share capital, through both internal growth and the judicious acquisition of complementary service businesses.

Our return on share capital to April 30, 1996 was 26.23 percent (excluding the proceeds from the exercise of warrants that are still available for acquisition purposes and included in working capital) and 19.28 percent when the warrant proceeds are included.

---

### OUR YEAR IN REVIEW...

BOWRIDGE'S results for the period were good relative to the industry, but reflect a 33 percent drop in the number of gas wells drilled in calendar year 1995 compared to a 10 year high in 1994.

Revenues were \$7.06 million for the period compared to \$7.8 million in the prior year. Earnings before depreciation, interest and taxes were \$1.8 million for the period compared to \$2.3 million in the prior year.

After tax earnings were \$516,402 (5 cents per share) for the period compared to \$871,330 (7 cents per share) in the prior year. Cash flow from operations for the period was \$1,068,083 (9 cents per share) compared to \$1,400,211 (11 cents per share).

BOWRIDGE had long term debt of \$10,139 at year end April 30, 1996 compared to \$674,520 in the prior year. Working capital per share was 12 cents at year end compared to 9 cents per share in the prior year. When lease financing on our Underbalanced Drilling Surface Control System commences in July, 1996, our working capital will approximate 15 cents per share. We also have available bank lines of credit of \$1.8 million.

At year end BOWRIDGE had 10,989,000 common shares issued and outstanding. This number reflects the purchase and cancellation of 188,000 common shares under our normal course issuer bid which expires February 7, 1997.

Our acquisition strategy is to purchase oil and gas service businesses that provide good management, a history of operations and positive financial performance, strong market reputation, technological advantages for the industry and growth opportunities for shareholders.



## WE HAVE CONCENTRATED IN THE LAST YEAR

...on growing and optimizing the acquisitions made over the past two years. In May, 1995 we amalgamated Central Alberta Production Testing and Testmaster Production Services into Central Production Testing Ltd. ("CPT"). Capital investments were \$515,344 for the period and \$645,894 for the prior year.

BOWRIDGE is committed to providing equipment, technologies and services which help lower field operating costs, increase productivity and provide environmental protection for our customers in the oil and gas industry. We recently engineered and constructed an Underbalanced Drilling Surface Control System for CPT, shown in the photo below.



ABOVE : UBD - 100 in Central Production Testing's operations yard in Northeast Calgary.

CPT will continue to make changes to remain competitive in the market. The industry is forecasting a further decline in gas exploration and development of 10 percent in the calendar year 1996, from 3,400 to 3,000 wells.

In spite of this forecast, BOWRIDGE estimates to increase earnings 15 percent in year end April 30, 1997 before acquisitions. This is because of: the industry focus on long term reserves, which is our niche market; our geographic expansion over the last year into that market; and, our development of technology and services for underbalanced drilling in response to industry demand.

BOWRIDGE is in a strong financial position to pursue acquisitions. Our strategy is to identify an acquisition within the near term of \$4 to \$5 million dollars that will generate an initial return of 20 percent, and in line with our objectives, can be developed to produce a 25 percent return on share capital.

The ongoing success of BOWRIDGE is a result of our customers, the hard work and dedication of our employees and contractors, and the support of our directors and shareholders. To all of you we say, "Thank You" for your contributions.

On behalf of the Board of Directors,

James L. Rathwell, PRESIDENT  
July 9, 1996

## OPERATION'S REPORT - CENTRAL



CENTRAL PRODUCTION TESTING ("Central" or "CPT") offers 34 years of combined experience providing equipment and personnel for oil and gas production testing. Central also supplies equipment for vapour recovery from well stimulation, workover and recompletion programs.

---

### OPERATIONS FOR CENTRAL PRODUCTION TESTING

BOWRIDGE operations through our wholly-owned subsidiary Central Production Testing have been responsive to the sudden changes in industry activity levels. We have continued to implement our computerized field note reporting system, and improved our service from base operations in Grande Prairie and Red Deer with new managers in both areas. These changes and a focus on technological development have positioned the Company for growth and continued profitability as market conditions change.

Central Production Testing renewed its "Partnership in Safety" with Alberta Occupational Health and Safety after an extensive safety audit. CPT had another year of no "Lost Time Accidents". We are proud of Central's safety record. It is important to our customers and reflects positively on Central's management, employees and contractors.

### BUSINESS SERVICE WITH DISTINCTION

Central was a finalist in the Business Services category of the 1995 Alberta Business Awards of Distinction, sponsored by the Alberta Chamber of Commerce and the Alberta Department of Economic Development. These awards recognize a company's commitment to business excellence and the fact the business has capitalized on natural strengths in the Alberta marketplace.

Central Production Testing has continued to improve its operations by encouraging personnel to focus on "Five Star" performance.



## CENTRAL PRODUCTION TESTING

## FIVE STAR PERFORMANCE

- ★ **Commitment** to excellence.
- ★ **Customer** service to meet and exceed customers' needs.
- ★ **Communication** to improve performance.
- ★ **Co-operation** to work as a team.
- ★ **Competitiveness** to provide quality and value that exceeds our customers' expectations.

## C CUSTOMER OMMITMENT

### RESPONDING TO THE NEEDS OF OUR CUSTOMERS

Underbalanced drilling is leading-edge technology. Central Production Testing has been supplying men and equipment for surface control of underbalanced drilling for four years, with over 34 years combined experience in the Production Testing Business. We recently engineered and constructed our first dedicated Underbalanced Drilling Surface Control System in response to customer demand for these services.

This equipment meets a wide variety of operating characteristics providing:

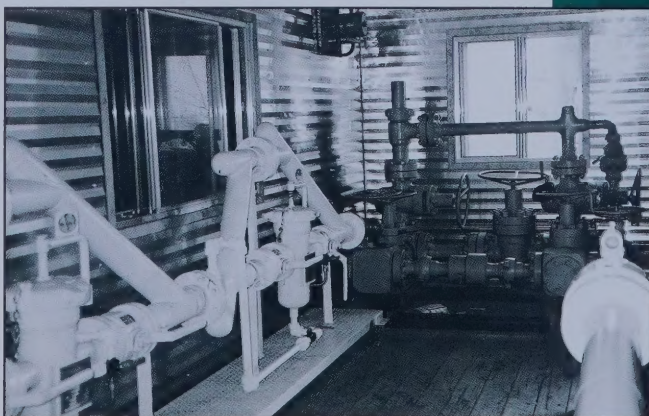
- **versatility** with higher volume and operating pressures;
- **safety** created by easy maintenance design and NACE MR0175 specification standards for high H<sub>2</sub>S applications; and,
- **mobility** resulting in lower moving costs and faster rig-up on location.

This will allow Central Production Testing to provide better service for existing customers and further expand our customer base.

We also spent \$515,344 for the period on capital investments for Central. This included maintenance and upgrades on our equipment to ensure its safety and our customers' satisfaction.

RIGHT:

*The manifold and pump building supporting the Underbalanced Drilling Surface Control System.*



## MANAGEMENT DISCUSSION & ANALYSIS

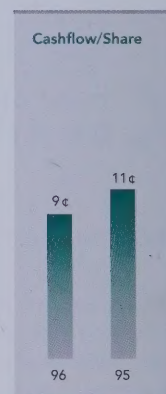
### OVERVIEW OF THE YEAR ENDING APRIL 30, 1996

The year ending April 30, 1996 was characterized by reduced gas well drilling and completions, a changing technological focus, and increased capacity in the production testing and vapour recovery business.



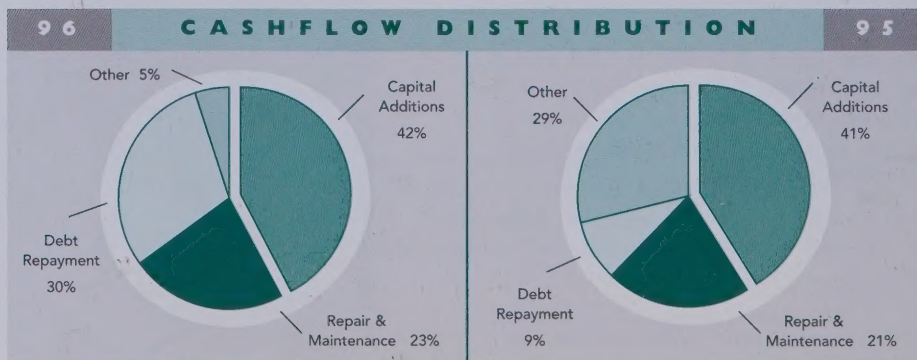
BOWRIDGE'S revenues for the period were \$7.06 million, down 10 percent from \$7.8 million. These revenues reflect the slower activity experienced by Central Production Testing during break-up and during the last quarter of calendar year 1995.

Margins experienced pressure during the period due to reduced activity and ongoing operating and associated maintenance costs. BOWRIDGE incurred increased costs to maintain its competitive advantages during the unexpected slow-down in our fiscal second and third quarters.



Cashflow from operations for the period was \$1,068,083 (9 cents per share) compared to \$1,400,211 (11 cents per share) in the prior year. Cashflow was utilized for debt repayment, capital additions and continued repair and maintenance. The Company employed "other" cashflow for acquisitions in the prior year, but not in the current year. Earnings before depreciation, interest and taxes were \$1.8 million for the period compared to \$2.3 million in the prior year. After tax earnings were \$516,402 (5 cents per share) for the period compared to \$871,330 (7 cents per share) for the prior year.

BOWRIDGE is fully taxable. Our net earnings before tax were \$1.1 million for the period. We incurred \$590,777 in income taxes for the year (\$839,394 for the prior year).



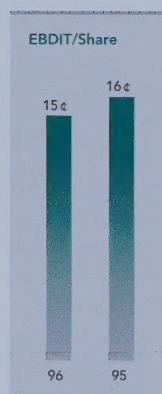


## FINANCIAL CONDITION AND LIQUIDITY



**Debenture Payout** – BOWRIDGE'S long term debt at April 30, 1996 was \$10,139 following the payout of 42 percent of our convertible debenture. The balance will be paid out in the current year and therefore it has been reclassified as current debt.

Working Capital per share was 12 cents per share basic for the period compared to 9 cents per share basic at April 30, 1995. Once lease financing on our Underbalanced Drilling Surface Control System for Central Production Testing is in effect in July 1996 working capital is estimated to increase to 15 cents per share basic.



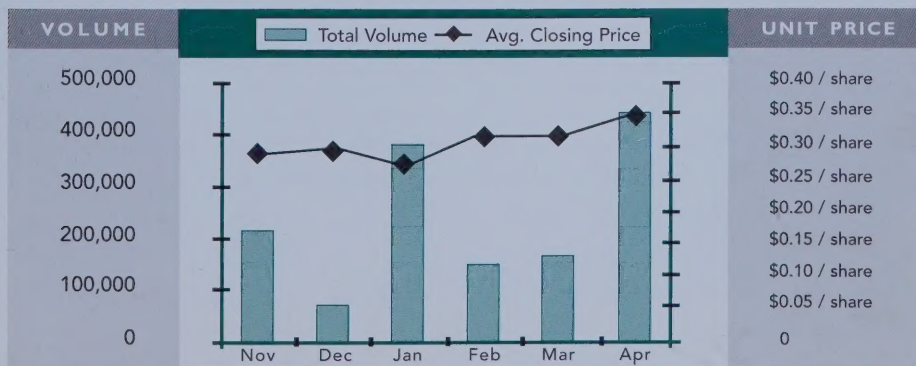
BOWRIDGE has available lines of credit totalling \$1.8 million. This places our Company in a desirable position for acquisition and expansion.

## COMMON SHARE INFORMATION

### NORMAL COURSE ISSUER BID

BOWRIDGE believes that recent market prices for its shares do not accurately reflect their underlying value and purchasing them for cancellation is in the best interest of its shareholders. We received approval from the Alberta Stock Exchange to proceed with a Normal Course Issuer Bid from Feb. 8, 1996 to Feb. 7, 1997. BOWRIDGE may purchase up to 795,827 of its common shares (10 percent of its public float) over the course of the next 12 months (not more than two percent of its outstanding shares will be purchased in any 30 day period). At year end 188,000 common shares had been purchased, at an average price of 33 cents per share, and cancelled.

### Trading Information – November 1995 to April 1996



## DEMAND FOR BOWRIDGE'S SERVICES AND EQUIPMENT

...depends on production, exploration and development activities of oil and gas producers and explorers. During 1995 lower gas prices and unseasonable weather conditions affected activity and the emphasis shifted to oil from natural gas.

To meet these changes, BOWRIDGE has focused on geographic expansion into those areas where long life gas reserves are being developed. Also, we have focused on technological changes, including underbalanced drilling, computerized field note reporting and vapour recovery systems that respond to market demand.



ABOVE: Central Production Testing Ltd.'s Test Unit No. 5.

The industry is forecasting a further decline in gas exploration and development of 10 percent in 1996. Over the longer term the prospects for gas production and pricing are positive. Gas volumes produced in Western Canada have increased 106 percent over the last 10 years and demand for gas is expected to increase 1.9 percent per annum in Canada until the year 2000, and 2.5 percent per annum in the United States.

**BOWRIDGE** forecasts a 15 percent growth in net income for its existing business operations for the period ending April 30, 1997 before acquisitions.

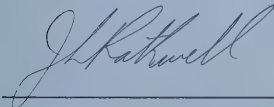


## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

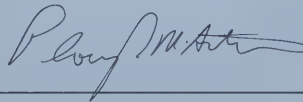
The consolidated financial statements of Bowridge Resource Group Inc. were prepared by management in accordance with accounting principles generally accepted in Canada. The financial and operating information presented in this statutory report is consistent with that shown in the financial statements.

Management has designed and maintains a system of internal controls to provide reasonable assurance that all assets are safeguarded and to facilitate the preparation of financial statements for reporting purposes. Timely release of the financial information necessitates the use of estimates when transactions affecting the current accounting period cannot be finalized until future periods. Such estimates are based on careful judgments made by management.

External auditors appointed by the shareholders have conducted an independent examination of the corporate and accounting records in order to express their opinion on the financial statements. The Audit Committee, consisting of a majority of non-management directors, has met with the external auditors and management in order to determine if management has fulfilled its responsibilities in the preparation of the financial statements. The Audit Committee has reported its findings to the Board of Directors and the Board has approved the consolidated financial statements.



James L. Rathwell, PRESIDENT



P. Douglas McArthur, SECRETARY-TREASURER

## AUDITORS' REPORT

We have audited the consolidated balance sheets of Bowridge Resource Group Inc. as at April 30, 1996 and 1995 and the consolidated statements of operations and retained earnings and changes in financial position for the years then ended. These financial statements are the responsibility of The Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of The Company as at April 30, 1996 and 1995 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.



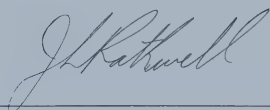
CHARTERED ACCOUNTANTS

Calgary, Alberta  
June 28, 1996

# **CONSOLIDATED BALANCE SHEETS**

AS AT APRIL 30TH	1996	1995
<b>Assets</b>		
Current Assets		
Cash and term deposits	\$ 1,023,833	\$ 443,963
Accounts receivable	1,400,061	1,553,820
Work in progress	1,853	21,413
Prepaid expenses	40,618	23,139
	2,466,365	2,042,335
Capital Assets (Note 2)	4,351,476	3,983,914
Less accumulated amortization	(1,619,648)	(1,182,977)
	2,731,828	2,800,937
<b>Total Assets</b>	<b>\$ 5,198,193</b>	<b>\$ 4,843,272</b>
<b>Liabilities</b>		
Current Liabilities		
Accounts payable	\$ 501,996	\$ 493,363
Income taxes payable	178,802	653,074
Debenture payable	348,336	—
Capital lease obligations	86,995	138,433
	1,116,129	1,284,870
Long-Term Debt (Note 3)	10,139	674,520
Deferred taxes (Note 5)	26,805	—
<b>Total Liabilities</b>	<b>\$ 1,153,073</b>	<b>\$ 1,959,390</b>
<b>Shareholders' Equity</b>		
Share Capital (Note 4)	\$ 2,678,052	\$ 2,014,222
Retained Earnings	1,367,068	869,660
<b>Total Shareholders' Equity</b>	<b>4,045,120</b>	<b>2,883,882</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$ 5,198,193</b>	<b>\$ 4,843,272</b>

Approved by the Board



James L. Rathwell, DIRECTOR



P. Douglas McArthur, DIRECTOR



# **CONSOLIDATED STATEMENTS OF OPERATIONS**

## **• RETAINED EARNINGS**

YEAR ENDED APRIL 30TH	1996	1995
Revenue		
Sales	\$ 6,986,422	\$ 7,761,328
Interest & other income	71,695	16,242
<b>Total Revenue</b>	<b>\$ 7,058,117</b>	<b>\$ 7,777,570</b>
Operating, General & Administrative Expenses		
Costs & expenses, except as below	\$ 5,282,412	\$ 5,456,084
Amortization	542,178	494,262
Interest on long-term debt	75,435	81,283
Other interest	50,913	35,217
<b>Total Expenses</b>	<b>\$ 5,950,938</b>	<b>\$ 6,066,846</b>
Income Before Income Taxes	\$ 1,107,179	\$ 1,710,724
Provision For Income Taxes	590,777	839,394
<b>Net Income</b>	<b>516,402</b>	<b>871,330</b>
Retained Earnings Beginning of Year	869,660	(1,670)
Excess Over Average Stated Value of Shares Repurchased	(18,994)	-
<b>Retained Earnings End of Year</b>	<b>\$ 1,367,068</b>	<b>\$ 869,660</b>

### Earnings Per Share (Note 4)

Basic	\$ 0.05	\$ 0.10
Fully diluted	\$ 0.05	\$ 0.07

# **CONSOLIDATED STATEMENTS OF CHANGES IN**

## **FINANCIAL POSITION**

YEAR ENDED APRIL 30TH	1996	1995
<b>Cash From (Used in) Operating Activities</b>		
Net income	\$ 516,402	\$ 871,330
Amortization	542,178	494,262
Deferred income taxes	26,805	13,280
(Gain)/Loss on sale of assets	(17,302)	21,339
	1,068,083	1,400,211
Net (increase)/decrease in non-cash working capital items	(306,836)	44,207
<b>Cash Provided by Operations</b>	<b>\$ 761,247</b>	<b>\$ 1,444,418</b>
<b>Financing Activities</b>		
Net proceeds from share issue	\$ 708,950	\$ 1,653,135
Payments on debenture	(251,664)	(140,860)
Net increase/(decrease) in capital lease liability	(115,894)	86,392
Proceeds on sale of capital assets	56,689	63,454
Shares purchased for cancellation	(64,114)	-
<b>Cash Provided by Financing Activities</b>	<b>\$ 333,967</b>	<b>\$ 1,662,121</b>
<b>Investing Activities</b>		
Purchase price - Central	\$ -	\$ (2,275,505)
Less: debenture to vendors	-	600,000
Purchase price - Testmaster	-	(650,000)
Less: shares issued to vendors	-	150,000
Cash disbursed	-	(2,175,505)
Purchase of capital assets	(515,344)	(645,894)
<b>Cash Used in Investing Activities</b>	<b>\$ (515,344)</b>	<b>\$ (2,821,399)</b>
<b>Net Increase During the Year</b>	<b>579,870</b>	<b>285,140</b>
<b>Cash Beginning of Year</b>	<b>443,963</b>	<b>158,823</b>
<b>Cash End of Year</b>	<b>\$ 1,023,833</b>	<b>\$ 443,963</b>



APRIL 30TH, 1996

**1. Accounting Policies:**

BOWRIDGE Resource Group Inc. ("the Company" or "Bowridge") was incorporated under the Business Corporations Act (Alberta) on March 9, 1993. The Consolidated Financial Statements include the accounts of the Company and its wholly-owned subsidiary, Central Production Testing Ltd. ("Central").

**REVENUE RECOGNITION AND WORK IN PROGRESS:**

Revenue from production testing is recognized based on the percentage of completion of the contract measured in terms of labour and equipment costs incurred.

**CAPITAL ASSETS:**

Equipment and buildings are recorded at cost. Amortization is calculated on the declining balance method based on the approximate useful lives of the assets as follows:

Field Equipment Under Capital Lease	20%
Field Equipment	20%
Vehicles	30%
Office Equipment	20%
Buildings	5%

In the years of acquisition and disposition one-half the normal rate of amortization is provided for. Leases that are in substance the acquisition of an asset and the assumption of an obligation are treated as capital assets and long-term debt. Amortization of capital leases is provided on the same basis as other assets.

**2. Capital Assets:**

	1996 Cost	Accumulated Amortization	1995 Cost	Accumulated Amortization
Field Equipment	\$ 2,886,519	\$ 1,074,085	\$ 2,562,486	\$ 606,263
Field Equipment Under Capital Lease	331,298	56,078	290,000	56,003
Office Equipment	301,407	157,727	261,153	125,662
Vehicles	440,267	251,824	478,290	324,171
Buildings	191,985	79,934	191,985	70,878
Land	200,000	—	200,000	—
	\$ 4,351,476	\$ 1,619,648	\$ 3,983,914	\$ 1,182,977
Net Book Value	\$ 2,731,828		\$ 2,800,937	

Field equipment under construction at year end and not subject to amortization totalled \$225,662.

**NOTES continued****3. Long-Term Debt:**

At April 30, 1996, the Company had unused lines of credit of \$1,800,000, which are secured by accounts receivable and a general assignment of book debts. Long-term debt consisted of:

	1996	1995
Debenture	\$ 348,336	\$ 600,000
Capital Lease Payable	97,134	212,953
	445,470	\$ 812,953
Less: Current Portion	(435,331)	(138,433)
	<u>\$ 10,139</u>	<u>\$ 674,520</u>

The debenture is payable to the vendors of Central and is convertible at any time into 535,901 common shares of BOWRIDGE at a conversion price of 65 cents per share. The debenture is secured by a first charge on certain equipment and a second fixed charge against land and buildings. The principal is due March 1, 1997 – however, the Company has the option to prepay the entire amount on 60 days prior written notice. Interest at prime plus one percent is payable annually on March 1 of each year. During the year the Company paid \$251,664 against the principle owed under the debenture.

The capital leases payable vary in terms from 12 to 24 months with implicit interest rates of 8.46% to 15.5%. Capital lease amounts are payable as follows:

1997	\$ 86,995
1998	10,139

**4. Share Capital:****AUTHORIZED**

An unlimited number of common shares and preferred shares issuable in series.

**COMMON SHARES ISSUED**

	1996		1995	
	Shares	\$	Shares	\$
Balance, Beginning of Year	9,130,000	\$ 2,014,222	2,700,000	\$ 211,087
Issued For Options Exercised	–	–	130,000	18,500
Issued For Cash, Net of Costs of Issue	–	–	6,000,000	1,634,635
Issued For Cash on Exercise of Warrants	2,047,000	708,950	–	–
Shares Purchased under Issuer Bid	(188,000)	(45,120)	–	–
Issued For Acquisitions	–	–	300,000	150,000
Balance, End of the Year	<u>10,989,000</u>	<u>\$ 2,678,052</u>	<u>9,130,000</u>	<u>\$ 2,014,222</u>



4. **Share Capital:** (continued)

In 1996, fully diluted earnings per share are based on the exercise of stock options only as the conversion of debentures would be anti-dilutive. In 1995, fully diluted earnings per share was based on the exercise of stock options and warrants. Earnings imputed for purposes of calculating fully diluted earnings per share were computed using an after-tax return of 10%. In total, earnings imputed for purposes of fully diluted earnings per share were \$20,130 (1995 – \$242,432).

Pursuant to a Management, Director and Employee Stock Option Plan, options outstanding as at April 30, 1996 are as follows:

	Amount	Exercise Price	Expiry Date
Directors & Officers	270,000	\$ 0.15	May 6/1998
Directors & Officers	150,000	\$ 0.30	June 28/2000
Employees & Management	346,000	\$ 0.30	Aug. 31/1999
Employees & Management	40,000	\$ 0.30	June 28/2000

5. **Income Taxes:**

The income tax provision differs from the calculated tax obtained by applying the combined Federal and Provincial tax rate of approximately 44% to the earnings before income taxes. These differences are accounted for as follows:

Expected Income Tax Expense	\$	502,074
Amortization of Capital Assets With No Tax Basis		81,734
Other		6,969
Provision For Income Taxes	\$	590,777

Deferred income taxes arise principally from claiming capital cost allowance for tax purposes at an amount greater than amortization recorded for accounting purposes.

6. **Commitments:**

As at April 30, 1996, the Company had commitments under various operating lease agreements in respect of equipment and premises aggregating to \$130,825 and payable as follows:

1997 – \$55,500, 1998 – \$41,925, 1999 – \$29,400, and 2000 – \$4,000.



## CORPORATE INFORMATION

### Officers and Directors

B. Vaughan Armstrong \*†  
DIRECTOR  
Calgary, Alberta

Thomas L. Arnett †  
DIRECTOR  
Calgary, Alberta

Richard A.N. Bonnycastle \*  
DIRECTOR  
Calgary, Alberta

P. Douglas McArthur, Q.C. †  
SECRETARY-TREASURER  
& DIRECTOR  
Calgary, Alberta

James L. Rathwell \*  
PRESIDENT, C.E.O. & DIRECTOR  
Calgary, Alberta

\* Member Audit Committee

† Member Compensation Committee

### Bowridge Head Office

Suite 1060, 727 - 7th Ave. SW  
Calgary, AB T2P 0Z5

Phone: (403) 262-9344

Fax: (403) 263-4868

### Central Head Office

4836 - 6 St. NE  
Calgary, AB T2E 3Z9

Phone: (403) 277-5777

Fax: (403) 230-9433

### Auditors

Deloitte & Touche  
Calgary, Alberta

### Bankers

Hongkong Bank of Canada  
Calgary, Alberta

### Legal Counsel

McManus Thomson  
Calgary, Alberta

### Registrar and Transfer Agent

Montreal Trust Company of Canada  
Calgary, Alberta

### Stock Exchange Listings

Common Shares  
Alberta Stock Exchange  
Symbol BOW

### Change of Address

**effective September 19, 1996**

Our address will be:

Suite 1800, 715 - 5th Ave. SW  
Calgary, AB T2P 2X6



## MISSION STATEMENT

BOWRIDGE Resource Group Inc. is a growth oriented oilfield services and equipment company focused on niche opportunities that represent and encourage the development of practical, cost efficient and new technologies for oil and gas recovery. BOWRIDGE also provides equipment and services for environmental protection and control to oil and gas well operators.

**BOWRIDGE** *Resource Group Inc.*

PRINTED IN CANADA



**BOWRIDGE RESOURCE GROUP INC.**

Suite 1060, 727 - 7th Avenue S.W., Calgary, Alberta T2P 0Z5  
Phone: (403) 262-9344 / Fax: (403) 263-4868